

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6290**

**BILL NUMBER:** HB 1142

**NOTE PREPARED:** Jan 3, 2010

**BILL AMENDED:**

**SUBJECT:** Agricultural matters.

**FIRST AUTHOR:** Rep. Blanton

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☐ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** *Purchasing State Farm Products:* This bill requires state agencies to purchase 20% of all farm or food products from citizens of or businesses located in Indiana beginning January 1, 2015. The bill requires an entity that spends \$25,000 or more of state funds on farm or food products to purchase at least 15% of farm or food products from citizens of or businesses located in Indiana beginning January 1, 2015.

*Agriculture Safety Programs:* It requires the Department of Agriculture (ISDA) to develop agriculture safety programs.

**Effective Date:** July 1, 2010.

**Explanation of State Expenditures:** *Purchasing State Farm Products:* Beginning January 1, 2015, a state agency that purchases farm or food products must purchase at least 20% of all these products as local farm or food products if the farm or food products are available. The impact that this provision will have on expenditures is indeterminable and will depend on state demand and local supply. The Department of Administration (IDOA) is not able to identify the percentage of farm or food products that are currently purchased by the state.

*Entities Using State Funds.* Beginning January 1, 2015, an entity that spends at least \$25,000 to purchase and that uses state funds under a contract with a state agency to purchase farm or food products must purchase at least 15% of all these products as local farm or food products. The impact of this provision is indeterminable. No data is available that tracks the origin of farm and food products purchased by entities that use state funds.

*Agriculture Safety Programs.* The ISDA must develop agricultural safety programs. The impact of this provision will depend on the number and nature of programs developed. The ISDA could require additional staff if the programs required training and workshops.

*Background.* The IDOA contracts for food services for state hospitals, Department of Correction facilities, and the state office building cafeterias. The origin of food products could be difficult to trace. For example, Indiana agricultural products are sent to a regional collection facility where the products may be joined by out-of-state products or distributed out-of-state. Some products may be produced using a combination of products from in and out of state. Other state products, such as Red Gold, could be identified as solely Indiana products.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** The purchasing requirements do not apply to school corporations or charter schools. (See *State Expenditures* above.)

**Explanation of Local Revenues:**

**State Agencies Affected:** All.

**Local Agencies Affected:**

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